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## France

### Oilseeds and Products

### Oilseeds Update

### 2002

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#### Report Highlights:

**In 2002, French oilseeds production is expected to be about 3 million MT of rapeseed, 1.58 million MT of sunflowerseed, and 250,000 MT of soybeans. Oilseed growers, hurt by reduced direct payments for oilseeds under Agenda 2000, expect that the rotational subsidy recently approved by the European Commission will favor oilseed production in the short term (i.e., next 2 years). While in the long term (i.e., next 10-20 years), the European Commission's favorable position on biofuels is expected to favor oilseed production. Because of French interest in non-biotech beans, Brazilian soybeans have captured most of France's increased demand for soybeans in animal feed for 2001/02, at the expense of U.S. soybeans. The French feed industry is asking their suppliers importing soybeans and soybean meal to label products containing more than 1 percent of biotech materials.**

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## Executive Summary

French oilseeds production in 2002 is expected to reach about 3 million MT of rapeseed, 1.58 million MT of sunflowerseed, and 250,000 MT of soybeans. French oilseed growers, hurt by reduced direct payments for oilseeds under Agenda 2000, expect that the rotational subsidy recently approved by the European Commission will favor oilseed production in the short term, while in the long term, the European Commission's favorable position on biofuels is expected to favor oilseed production. Due to French continued concerns about biotech products, Brazilian soybeans have captured most of France's increasing demand for soybeans in animal feed in 2001/02, at the expense of U.S. soybeans. The French feed industry is asking their suppliers of soybeans and soybean meal to label products containing more than 1 percent of biotech materials.

## Section I: Situation and Outlook

### Production

According to recent estimates from the Office of Statistics (SCEES) of the French Ministry of Agriculture and Fisheries (MinAg), rapeseed plantings are forecast to decline by 3 percent in 2002/2003, to about 1.1 million hectares. Because weather conditions have been more favorable this year than last year, rapeseed yields are expected to be higher in 2002/03 than in 2001/02. However, compared to last years average, French rapeseed production in 2002 is expected to be low at 3 million MT, due to a lower acreage.

Sunflowerseed plantings are expected to decline by about 6 to 8 percent in 2002 from 2001, because of reduced direct payments to growers. But, yields are expected to be higher than abnormally low yields of 2001. French acreage of sunflowerseed is estimated at 660,000 hectares, and sunflowerseed production at 1.58 million MT for 2002.

The termination of the government support payments to growers of non-biotech soybean (Soja de Pays) is likely to reduce soybean plantings and production in 2002 from 2001 to 100,000 ha and 250,000 MT, respectively. Note: payments under the program amounted to FF 1,000 (USD 137) per hectare in 2001.

### Consumption

Based on a paper published in October 2001 by the French Ministry of Economy's Frauds Office (DGCCRF), feed industry organizations (SNIA and SYNCOPAC) are asking their suppliers to label soybeans and soybean meals as containing "biotech" products when the biotech content of the raw material is above 1 percent, while raw material containing less than 1 percent biotech materials would have no label. However, French soybean and soybean meal importers continue to label soybeans as containing biotech products standard raw materials that had no control of their biotech content, while there is no label of products imported as non-biotech. See the French industry's website at <http://www.nutritionanimale.org> (all in French)

### Trade

For MY 2001/02, French oilseed trade is described in the following trade matrices. French exports of rapeseed declined significantly (34 percent) from MY 2000/01 to 2001/02, due mainly to reduced domestic production. Shipments to non-EU countries (especially China, Bangladesh and Pakistan) were significantly reduced in 2001/02.

As a result of lower domestic production, French exports of sunflowerseed remained stable from 2000/01 to 2001/02, while imports increased, mainly from the Black Sea area (Russia and Ukraine) and Argentina.

From MY 2000/01 to MY 2001/02, French imports of soybeans almost doubled, due to increased demand from animal feed compounders of vegetable proteins to replace meat and bone meal banned from animal feed rations since November 2000. In 2001/02, U.S. soybeans missed out on the increased French demand, while Brazilian soybeans filled all the additional French demand. French imports from the U.S. declined by more than 25,000 MT. The increase in French imports of soybeans is almost equal to the increase in the country's total imports from all origins. This is a result of high price-competitiveness and non-biotech character of Brazilian soybeans compared to U.S. soybeans.

## Policy

### Rotational Subsidy

A new direct subsidy, called "rotational support," for French farmers was recently approved as an agri-environmental measure by the European Commission. With a budget of *€* 13 million, the subsidy for crop diversification is expected to be available to farmers in seven French regions (Aquitaine, Burgundy, Center, Languedoc-Roussillon, Lorraine, Midi-Pyrénées, and Poitou-Charentes). The farmers in these regions will be eligible for this new subsidy beginning in the spring of 2002. This subsidy will be provided with the understanding that farmers commit themselves to cultivate, at least, 4 different crops (species) over the next five years. They also must agree to limit the principal crop to less than 50 percent of the total area, so that the area covered by the three leading crops in production is lower than 95 percent of the total acreage. The amount of the subsidy will vary from *€* 21 per hectare to *€* 75 per hectare, depending on the region.

### Protein Program

French oilseed growers initiated a "Protein Program" project favoring oilseed and protein seed production in France and Europe. This program was approved by both the European Economic and Social Council and by the EU Parliament along with a memorandum signed by seven countries including Spain, Italy, France, Belgium, Portugal, Germany, and Luxemburg.

The program is twofold. First, it increases direct payments (from *€* 72.2/MT to *€* 85/MT) to protein seeds (mainly pulses) producers. As such, growing pulses will become competitive with growing oilseeds and grains. Second, the establishment of a safety net for farmers would be an insurance on the expected sales of oilseeds and protein seeds, under the budget of rural development. Forecast yields and prices would be established according to market conditions along with average yield over past five years. Two thirds of the insurance premium will be funded by public authorities, and one third will be paid by farmers.

The organization for oilseed producers (FOP) is lobbying member states and European authorities on this project, although the European Commission has rejected similar programs in the past, in the name of EU's commitment at the Blair House Accord. However, FOP considers that the current Spanish presidency of the EU (January-June 2002) will be favorable to the Protein Program.

**Biofuels**

French oilseed growers believe that French and European oilseed production will be encouraged by two European Directive proposals adopted in November 2001 in favor of biofuel use. One draft Directive stipulates that biofuels should represent at least 2 percent of the fuel used in transportation in EU member states by 2005. The draft then sets up a schedule that gradually increases this percentage to 5.75 percent by 2010. (The second draft Directive authorizes tax reduction on fuels containing biofuels, from January 1, 2002 to December 31, 2010). (See report FR1083, dated November 26, 2001).

## Section II: Statistical Tables

### PS&D Tables

PSD Table						
Country	France					
Commodity	Oilseed, Rapeseed				(1000 HA)	(1000 MT)
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Planted	1225	1225	1100	1096	0	1062
Area Harvested	1225	1225	1100	1096	0	1062
Beginning Stocks	85	83	191	121	55	124
Production	3569	3569	2900	2888	0	3000
MY Imports	29	30	30	30	0	30
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	15	15	15	15	0	15
TOTAL SUPPLY	3683	3682	3121	3039	55	3154
MY Exports	1817	1828	1675	1330	0	1350
MY Exp. to the EC	1460	1506	1300	1200	0	1200
Crush Dom. Consumption	1322	1288	1155	1280	0	1300
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	353	445	236	305	0	380
TOTAL Dom. Consumption	1675	1733	1391	1585	0	1680
Ending Stocks	191	121	55	124	0	124
TOTAL DISTRIBUTION	3683	3682	3121	3039	0	3154
Calendar Year Imports	30	29	30	30	0	30
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	2200	1457	1700	1500	0	1400
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Source: ONIOL, French Customs

PSD Table						
Country	France					
Commodity	Oilseed, Sunflowerseed				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Planted	710	710	760	709	0	660
Area Harvested	710	710	760	709	0	660
Beginning Stocks	301	342	306	312	206	20
Production	1813	1813	1700	1579	0	1580
MY Imports	175	176	110	35	0	150
MY Imp. from U.S.	15	1	15	1	0	1
MY Imp. from the EC	10	10	5	5	0	5
TOTAL SUPPLY	2289	2331	2116	1926	206	1750
MY Exports	420	452	400	513	0	450
MY Exp. to the EC	400	425	380	493	0	410
Crush Dom. Consumption	1378	1378	1340	1225	0	1100
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	185	189	170	168	0	150
TOTAL Dom. Consumption	1563	1567	1510	1393	0	1250
Ending Stocks	306	312	206	20	0	50
TOTAL DISTRIBUTION	2289	2331	2116	1926	0	1750
Calendar Year Imports	200	140	130	50	0	100
Calendar Yr Imp. U.S.	15	1	15	1	0	1
Calendar Year Exports	450	520	400	500	0	500
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Sources: ONIOL, French Customs

PSD Table						
Country	France					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted	79	79	120	119	0	100
Area Harvested	79	79	120	119	0	100
Beginning Stocks	36	51	36	227	46	227
Production	208	207	320	291	0	250
MY Imports	896	897	1200	950	0	950
MY Imp. from U.S.	176	240	180	250	0	250
MY Imp. from the EC	60	105	78	110	0	110
TOTAL SUPPLY	1140	1155	1556	1468	46	1427
MY Exports	5	5	10	5	0	5
MY Exp. to the EC	5	5	10	5	0	5
Crush Dom. Consumption	735	543	1130	800	0	800
Food Use Dom. Consump.	30	30	30	35	0	35
Feed,Seed,Waste Dm.Cn.	334	350	340	401	0	385
TOTAL Dom. Consumption	1099	923	1500	1236	0	1220
Ending Stocks	36	227	46	227	0	202
TOTAL DISTRIBUTION	1140	1155	1556	1468	0	1427
Calendar Year Imports	896	900	1200	900	0	900
Calendar Yr Imp. U.S.	200	270	250	250	0	250
Calendar Year Exports	5	5	10	5	0	5
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Sources: ONIOL, French Customs

**Trade Matrices**

Export Trade Matrix			
Country	France		
Commodity	Oilseed, Rapeseed		
Time period	July-June	Units:	MT
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Germany	782,150	Germany	824,604
Belgium	587,647	Belgium	490,988
China	505,893	China	160,741
Pakistan	242,132	UK	117,805
Netherlands	196,867	Bengladesh	66,508
Bangladesh	141,488	Pakistan	60,912
Mexico	56,813	Netherlands	44,317
UK	52,050	India	25,100
India	44,125	Denmark	13,291
Japan	23,100	Sweden	7,719
Total for Others	2632265		1811985
Others not Listed	134,814		16735
Grand Total	2767079		1828720

Sources: French Customs, ONIOL

Import Trade Matrix			
Country	France		
Commodity	Oilseed, Rapeseed		
Time period	July-June	Units:	MT
Imports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Belgium	9,346	Russia/ Ukraine	13,046
Germany	7,043	Luxemburg	6,724
Poland	5,333	UK	4,449
Ukraine	5,262	Germany	3,315
Romania	3,784		
Croatia	3,328		
Lituania	2,340		
Total for Others	36436		27534
Others not Listed	10,030		2,401
Grand Total	46466		29935

Export Trade Matrix			
Country	France		
Commodity	Oilseed, Sunflowers eed		
Time period	July-June	Units:	MT
Exports for:	1999		2000
U.S.	2	U.S.	236
Others		Others	
Spain	183977	Spain	172,842
Belgium	132847	Netherlands	94,845
Germany	71488	Belgium	87,115
Netherlands	45616	Germany	57,598
Morocco	6600	Morocco	13,503
Switzerland	4707	UK	6,936
Portugal	3764	Portugal	6,822
UK	3035	Turkey	5,084
		Switzerland	2,889
		Italy	904
Total for Others	452034		448538
Others not Listed	597		3475
Grand Total	452633		452249

Sources: ONIOL, French Customs

Import Trade Matrix			
Country	France		
Commodity	Oilseed, Sunflowers eed		
Time period	July-June	Units:	MT
Imports for:	1999		2000
U.S.	13067	U.S.	1261
Others		Others	
Romania	63123	Russia/Ukraine	143245
Bulgaria	20775	Argentina	11667
Russia	12681	Romania	9398
Ukraine	11700	Netherlands	3489
Germany	1499	Spain	1721
Spain	951	UK	1576
Italy	881	Belgium	1284
Argentina	716	Hungary	1231
Belgium	452	Germany	1202
Hungary	264		
Total for Others	113042		174813
Others not Listed	1020		377
Grand Total	127129		176451

Export Trade Matrix			
Country	France		
Commodity	Oilseed, Soybean		
Time period	Oct-Sept	Units:	MT
Exports for:	1999		2000
U.S.	13	U.S.	
Others		Others	
Spain	10172	Spain	1383
Germany	701	Switzerland	1508
Switzerland	271	Italy	839
Italy	121	Germany	322
Portugal	103	Portugal	146
Total for Others	11368		4198
Others not Listed	162		740
Grand Total	11543		4938

Sources: ONIOL, French Customs

Import Trade Matrix			
Country	France		
Commodity	Oilseed, Soybean		
Time period	Oct-Sept	Units:	MT
Imports for:	1999		2000
U.S.	265298	U.S.	240014
Others		Others	
Brazil	103222	Brazil	538660
Netherlands	25741	Belgium	78236
Paraguay	22015	Netherlands	18847
Canada	19089	Spain	7569
Belgium	16259	Panama	2700
Spain	6812	Italy	2629
Argentina	2538	China	2583
China	2051	Germany	1637
Italy	1841	Argentina	1587
		Canada	1547
Total for Others	199568		655995
Others not Listed	919		1539
Grand Total	465785		897548